

By: Sheets

H.B. No. 3207

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the Public Utility Commission of Texas
3 to approve certain payments by municipally owned utilities for
4 transmission facilities in lieu of ad valorem taxes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 37.051, Utilities Code, is amended by
7 adding Subsection (g), Payments in Lieu of Ad Valorem, to read as
8 follows:

9 (g) A municipally owned utility that is required to apply
10 for a certificate of convenience and necessity for a transmission
11 facility may agree with the governing body of a taxing entity with
12 authority to assess ad valorem taxes on the transmission facility
13 to make payments in lieu of ad valorem taxes on the transmission
14 facility. A municipally owned utility that agrees to make payments
15 in lieu of ad valorem taxes under this section shall recover, as
16 part of its transmission cost of service, the reasonable amount
17 paid to a taxing entity under the agreement to the extent that those
18 payments are the amount the municipally owned utility would have to
19 pay on that transmission facility if the facility were subject to ad
20 valorem taxation. A municipally owned utility that agrees to make
21 payments in lieu of ad valorem taxes under this section shall
22 provide a copy of the agreement to the commission.

23 SECTION 2. This section applies to a transmission line to be
24 constructed after the effective date of this act.

1 SECTION 3. This Act takes effect September 1, 2015.